



## Selected Acquisition Report (SAR)

RCS: DD-A&T(Q&A)823-257



### HC/MC-130 Recapitalization Aircraft (HC/MC-130 Recap)

As of FY 2017 President's Budget

Defense Acquisition Management  
Information Retrieval  
(DAMIR)

## Table of Contents

Common Acronyms and Abbreviations for MDAP Programs .....	3
Program Information .....	5
Responsible Office .....	5
References .....	5
Mission and Description .....	6
Executive Summary .....	7
Threshold Breaches .....	8
Schedule .....	9
Performance .....	10
Track to Budget .....	13
Cost and Funding .....	15
Low Rate Initial Production .....	27
Foreign Military Sales .....	28
Nuclear Costs .....	28
Unit Cost .....	29
Cost Variance .....	32
Contracts .....	35
Deliveries and Expenditures .....	37
Operating and Support Cost .....	38

## Common Acronyms and Abbreviations for MDAP Programs

Acq O&M - Acquisition-Related Operations and Maintenance  
ACAT - Acquisition Category  
ADM - Acquisition Decision Memorandum  
APB - Acquisition Program Baseline  
APPN - Appropriation  
APUC - Average Procurement Unit Cost  
\$B - Billions of Dollars  
BA - Budget Authority/Budget Activity  
Blk - Block  
BY - Base Year  
CAPE - Cost Assessment and Program Evaluation  
CARD - Cost Analysis Requirements Description  
CDD - Capability Development Document  
CLIN - Contract Line Item Number  
CPD - Capability Production Document  
CY - Calendar Year  
DAB - Defense Acquisition Board  
DAE - Defense Acquisition Executive  
DAMIR - Defense Acquisition Management Information Retrieval  
DoD - Department of Defense  
DSN - Defense Switched Network  
EMD - Engineering and Manufacturing Development  
EVM - Earned Value Management  
FOC - Full Operational Capability  
FMS - Foreign Military Sales  
FRP - Full Rate Production  
FY - Fiscal Year  
FYDP - Future Years Defense Program  
ICE - Independent Cost Estimate  
IOC - Initial Operational Capability  
Inc - Increment  
JROC - Joint Requirements Oversight Council  
\$K - Thousands of Dollars  
KPP - Key Performance Parameter  
LRIP - Low Rate Initial Production  
\$M - Millions of Dollars  
MDA - Milestone Decision Authority  
MDAP - Major Defense Acquisition Program  
MILCON - Military Construction  
N/A - Not Applicable  
O&M - Operations and Maintenance  
ORD - Operational Requirements Document  
OSD - Office of the Secretary of Defense  
O&S - Operating and Support  
PAUC - Program Acquisition Unit Cost

PB - President's Budget  
PE - Program Element  
PEO - Program Executive Officer  
PM - Program Manager  
POE - Program Office Estimate  
RDT&E - Research, Development, Test, and Evaluation  
SAR - Selected Acquisition Report  
SCP - Service Cost Position  
TBD - To Be Determined  
TY - Then Year  
UCR - Unit Cost Reporting  
U.S. - United States  
USD(AT&L) - Under Secretary of Defense (Acquisition, Technology and Logistics)

## Program Information

**Program Name**

HC/MC-130 Recapitalization Aircraft (HC/MC-130 Recap)

**DoD Component**

Air Force

## Responsible Office

Col Karl Schloer  
1895 5th Street, Bldg 46  
Wright Patterson Air Force Base, OH 45433-7233

[Karl.Schloer@us.af.mil](mailto:Karl.Schloer@us.af.mil)

**Phone:** 937-656-8109

**Fax:** 937-255-3768

**DSN Phone:** 986-8109

**DSN Fax:** 785-3768

**Date Assigned:** June 24, 2014

## References

**SAR Baseline (Production Estimate)**

Defense Acquisition Executive (DAE) Approved Acquisition Program Baseline (APB) dated March 29, 2010

**Approved APB**

Air Force Acquisition Executive (AFAE) Approved Acquisition Program Baseline (APB) dated October 7, 2013

## Mission and Description

The HC/MC-130 Recapitalization Aircraft (HC/MC-130 Recap) will replace the HC-130P/N tanker aircraft that currently support Personnel Recovery. These tankers are currently operated by active duty Air Reserve Components. The MC-130 Recap aircraft will replace the legacy MC-130P/E tanker aircraft currently operated by the Air Force Special Operations Command. Most of these aircraft are more than 35 years old and are burdened by multiple unique aircraft configurations. These multiple configurations create significantly increased maintenance and sustainment challenges.

The primary mission of the HC/MC-130J aircraft is providing aerial refueling support to the respective component commanders. In addition to the specialized air refueling support to mission-unique receiver aircraft, the aircraft can provide a specialized mobility capability to position, supply, re-supply and recover specialized ground tactical units.

The HC/MC-130J is a medium size tanker that can transport airmen for infiltration and exfiltration operations. It is also an in-flight refueling receiver, which extends its combat mission and/or increases the amount of fuel available for offload to receivers. The HC/MC-130J incorporates state-of-the-art technology to reduce manpower requirements, lower operating cost and provide life-cycle cost savings over earlier C-130 models. The HC/MC-130J model climbs faster and higher, flies farther at a higher cruise speed and can take off and land in a shorter distance.

## Executive Summary

The HC/MC-130 Recap Program successfully delivered six HC-130J and nine MC-130Js (two for AC-130J conversion) during the CY 2015. As of December 31, 2015, 53 aircraft have been delivered of 131 total (18 HC-130Js and 35 MC-130Js; 4 of the MC-130Js will be converted to AC-130Js).

In CY 2015, Enhanced-Integrated Cockpit System Trainer #2 and #3 were designated as Ready For Training (RFT) at Kirtland Air Force Base (AFB) and Hurlburt AFB, respectively. In February 2015, Loadmaster Fuselage Trainer (LFT) #1 was designated RFT at Kirtland AFB. The LFT is a crucial training device for aircrew providing a practical experience in use of checklists, palletized loading, winching exercises, loading of vehicles, loading and rigging for aerial delivery, aeromedical and other rigging, and principles of cargo restraint for Loadmaster personnel. This allows for training without sacrificing aircraft availability. In December 2015, Weapon System Trainer #6 was accepted at Hurlburt AFB for conversion to become the first AC-130J Gunship training system.

The HC/MC-130 Recap Program Office utilized the savings from the FY 2013 aircraft buy negotiations to purchase an additional FY 2013 HC-130J. This aircraft will serve to fill a gap left by the removal of an HC-130J in FY 2019. In concert with the savings purchase, the Program Office was approved to purchase two FY 2013 HC-130Js and two FY 2013 MC-130Js as Congressional adds. The Program Office plans to utilize the savings from the Multi-Year Procurement Contract, which was awarded in December 2015, to purchase two additional aircraft in 2016, one FY 2014 AC-130J and one FY 2016 HC-130J.

The Recap Program delivered a total of 15 aircraft for the year, 3 more than scheduled for 2015. Aircraft continued to deliver prior to contractual delivery dates.

The HC/MC-130 Recap Program, executed by the Special Operations Forces and Personnel Recovery Division, was recognized as the Air Force Life Cycle Management Center Outstanding Program Office for 2015.

There are no significant software-related issues with this program at this time.

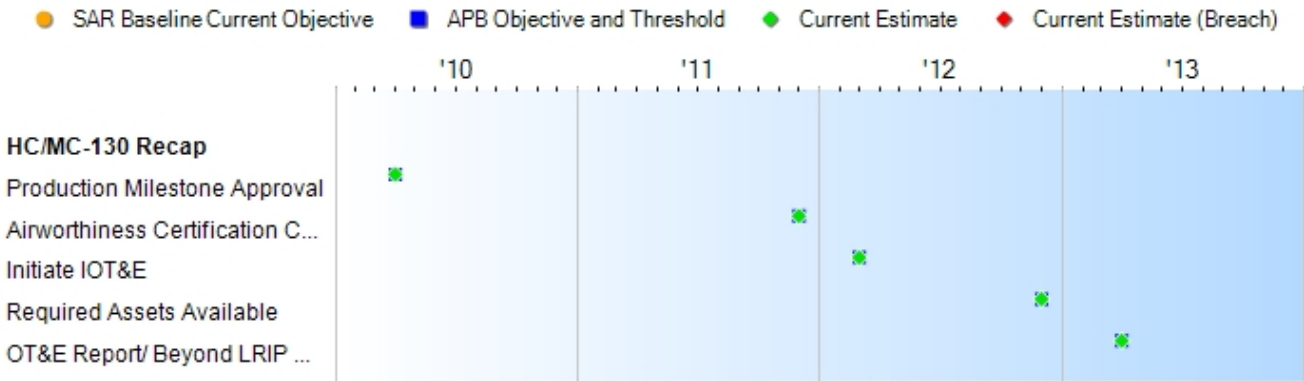
Threshold Breaches

APB Breaches		
Schedule		<input type="checkbox"/>
Performance		<input type="checkbox"/>
Cost	RDT&E	<input type="checkbox"/>
	Procurement	<input type="checkbox"/>
	MILCON	<input type="checkbox"/>
	Acq O&M	<input type="checkbox"/>
O&S Cost		<input type="checkbox"/>
Unit Cost	PAUC	<input type="checkbox"/>
	APUC	<input type="checkbox"/>

Nunn-McCurdy Breaches		
Current UCR Baseline		
	PAUC	None
	APUC	None
Original UCR Baseline		
	PAUC	None
	APUC	None



Schedule



Schedule Events				
Events	SAR Baseline Production Estimate	Current APB Production Objective/Threshold		Current Estimate
Production Milestone Approval	Feb 2010	Apr 2010	Apr 2010	Apr 2010
Airworthiness Certification Complete	Jan 2012	Dec 2011	Dec 2011	Dec 2011
Initiate IOT&E	Mar 2012	Mar 2012	Mar 2012	Mar 2012
Required Assets Available	Dec 2012	Dec 2012	Dec 2012	Dec 2012
OT&E Report/ Beyond LRIP Report Approved	Dec 2012	Apr 2013	Apr 2013	Apr 2013

Change Explanations

None

Acronyms and Abbreviations

IOT&E - Initial Operational Test and Evaluation  
OT&E - Operational Test and Evaluation

## Performance

Performance Characteristics				
SAR Baseline Production Estimate	Current APB Production Objective/Threshold	Demonstrated Performance	Current Estimate	
Simultaneous air refueling (CSAR and SOF receivers)				
While in flight, refuel full range of DoD probe equipped aircraft: rotary-wing, fixed-wing, and tilt rotor.	While in flight, refuel full range of DoD probe equipped aircraft: rotary-wing, fixed-wing, and tilt rotor.	While in flight, simultan-eously provide fuel to two CSAR recovery vehicles or SOF rotary wing receivers. Must aerial refuel one M/CV-22.	While in flight, simultaneously provide fuel to two CSAR recovery vehicles or SOF rotary wing receivers. Must aerial refuel one M/CV-22.	While in flight, simultaneously provide fuel to two CSAR recovery vehicles or SOF rotary wing receivers. Must aerial refuel one M/CV-22.
Net-ready				
Fully support execution of all operational activities and must satisfy technical requirements for transition to Net-Centric military operations.	Fully support execution of all operational activities and must satisfy technical requirements for transition to Net-Centric military operations.	Fully support execution of joint critical operational activities and must satisfy technical requirements for transition to Net-Centric military operations.	Fully support execution of joint critical operational activities and must satisfy technical requirements for transition to Net-Centric military operations.	Fully support execution of joint critical operational activities and must satisfy technical requirements for transition to Net-Centric military operations.
Survivability (IR Signature)				
In a single engagement, weapon system shall be able to defeat, 90% of time, specific IR threat.	In a single engagement, weapon system shall be able to defeat, 90% of time, specific IR threat.	In a single engagement, weapon system shall be able to defeat, 70% of the time, a specific IR threat.	In a single engagement, weapon system shall be able to defeat, 70% of the time, a specific IR threat.	In a single engagement, weapon system shall be able to defeat, 70% of the time, a specific IR threat.
Survivability (Threat warning)				
Provide warning for EO/IR and RF threats and equivalent capability described in the LAIRCM ORD and the ASACM CDD, respectively.	Provide warning for EO/IR and RF threats and equivalent capability described in the LAIRCM ORD and the ASACM CDD, respectively.	Provide warning for EO/IR and RF threats.	Provide warning for EO/IR and RF threats.	Provide warning for EO/IR and RF threats.
Survivability (Flight critical damage tolerance)				
Greater levels of ballistic	Greater levels of ballistic	Must withstand flight critical	Must withstand flight critical damage with	Must withstand flight critical damage with 95%

hardening/tolerance are desired and should be incorporated, if achievable, without significant aircraft performance or cost penalties.	hardening/tolerance are desired and should be incorporated, if achievable, without significant aircraft performance or cost penalties.	damage with 95% probability of survival against single impact (imposed by 7.62mm ball projectile at 100m) and continue operations for 30 minutes.	95% probability of survival against single impact (imposed by 7.62mm ball projectile at 100m) and continue operations for 30 minutes.	probability of survival against single impact (imposed by 7.62mm ball projectile at 100m) and continue operations for 30 minutes.
<b>Force Protection (Crew Protection)</b>				
Cargo compartment positions should be protected against a single 7.62mm ball projectile at 100m, with less than 3% increase in operating weight.	Cargo compartment positions should be protected against a single 7.62mm ball projectile at 100m, with less than 3% increase in operating weight.	Primary crewmember positions and oxygen supplies must be protected against a single 7.62mm ball projectile at 100m.	Primary crewmember positions and oxygen supplies must be protected against a single 7.62mm ball projectile at 100m.	Primary crewmember positions and oxygen supplies must be protected against a single 7.62mm ball projectile at 100m.
<b>Materiel Availability (Sustainability)</b>				
80% average monthly AA rate, 89% average monthly MC rate; from 25 to 30 months after both MAJCOMs declare IOC.	80% average monthly AA rate, 89% average monthly MC rate; from 25 to 30 months after both MAJCOMs declare IOC.	76% average monthly AA rate, 85% average monthly MC rate; from 25 to 30 months after both MAJCOMs declare IOC.	During IOT&E, the aircraft met the 76% AA rate, and the 85% average monthly MC rate.	Average monthly AA rate is 78.08% for HC-130J and 82.69% for the MC-130J. The average monthly MC should be 85%; from 25 to 30 months after both MAJCOMs declare IOC. AFSOC declared IOC in December 2012. ACC declared IOC in April 2013. Effective January 2015, the MC rate for HC-130J is 85.09% and the MC rate for the MC-130J is 88.92%.

(Ch-1)

## Requirements Reference

Capability Production Document (CPD) dated August 13, 2009

## Change Explanations

(Ch-1) Materiel Availability (Sustainability) current estimate for the AA rate changed from 82.00% to 78.08% (HC-130J) and 81.24% to 82.69% (MC-130J) and the MC rate changed from 85.77% to 85.09% (HC-130J) and 88.07% to 88.92% (MC-130J). The leading driver for the changes was a bird strike repair on aircraft 5708 accomplished at Robins Air Force Base, GA. The repair took 1710.5 hours to complete.

**Acronyms and Abbreviations**

AA - Aircraft Availability  
ACC - Air Combat Command  
AFSOC - Air Force Special Operations Command  
ASACM - Advanced Situational Awareness Countermeasures  
CSAR - Combat Search And Rescue  
EO/IR - Electro-Optical/Infrared  
IOT&E - Initial Operational Test and Evaluation  
IR - Infrared (missile threat)  
LAIRCM - Large Aircraft Infrared Countermeasures  
m - meter  
MAJCOM - Major Command  
MC - Mission Capable  
mm - millimeter  
RF - Radio Frequency  
SOF - Special Operations Forces

## Track to Budget

RDT&E			
Appn	BA	PE	
Air Force	3600	05	0604261F
	Project	Name	
	655249	Personnel Recovery System (Shared) (Sunk)	
	Notes:	FY 2008 only	
Air Force	3600	05	0605278F
	Project	Name	
	655249	HC/MC-130 Recap (Sunk)	
Air Force	3600	07	0605278F
	Project	Name	
	675006	HC/MC-130 Recap (Shared)	
Procurement			
Appn	BA	PE	
Air Force	3010	02	0401132F
	Line Item	Name	
	C130J0	C-130J (Shared) (Sunk)	
	Notes:	FY 2008 Global War on Terror Supplemental Funding	
Air Force	3010	04	0207237F
	Line Item	Name	
	C130JA	AC-130 Recap (Sunk)	
Air Force	3010	02	0207224F
	Line Item	Name	
	C130JH	Combat Search and Rescue	
Air Force	3010	02	0207230F
	Line Item	Name	
	C130JM	MC-130 Recap	
Air Force	3010	05	0207224F
	Line Item	Name	
	HCMC00	HC/MC-130 Modifications	
Air Force	3010	05	0207230F
	Line Item	Name	
	HCMC00	HC/MC-130 Modifications	
Air Force	3010	05	0401134F
	Line Item	Name	
	HCMC00	HC/MC-130 Modifications (Sunk)	
Air Force	3010	02	0207224F

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

## Cost and Funding

### Cost Summary

Total Acquisition Cost							
Appropriation	BY 2009 \$M			BY 2009 \$M	TY \$M		
	SAR Baseline Production Estimate	Current APB Production Objective/Threshold		Current Estimate	SAR Baseline Production Estimate	Current APB Production Objective	Current Estimate
RDT&E	148.0	147.6	162.4	146.1	154.3	160.2	158.3
Procurement	7436.0	12665.9	13932.5	12401.1	8054.2	14836.6	14271.4
Flyaway	--	--	--	9965.7	--	--	11469.1
Recurring	--	--	--	9744.1	--	--	11216.8
Non Recurring	--	--	--	221.6	--	--	252.3
Support	--	--	--	2435.4	--	--	2802.3
Other Support	--	--	--	1078.4	--	--	1234.0
Initial Spares	--	--	--	1357.0	--	--	1568.3
MILCON	494.1	336.7	370.4	224.2	536.8	377.9	241.8
Acq O&M	0.0	0.0	--	0.0	0.0	0.0	0.0
Total	8078.1	13150.2	N/A	12771.4	8745.3	15374.7	14671.5

#### Confidence Level

Confidence Level of cost estimate for current APB: 55%

Cost is based on the HC/MC-130 Recap approved Service Cost Position, September 9, 2013.

The cost estimate represents the expected value, or mean, of the cost estimate distribution, and for both the Research, Development, Test and Evaluation (RDT&E) and production estimates, the confidence levels are approximately 55%. This portion of the estimate takes into consideration relevant risks, including ordinary levels of external and unforeseen events. It aims to provide sufficient resources to execute the program under normal conditions encountering average levels of technical, schedule, and programmatic risk and external influence.

Total Quantity			
Quantity	SAR Baseline Production Estimate	Current APB Production	Current Estimate
RDT&E	0	0	0
Procurement	74	131	131
Total	74	131	131

## Cost and Funding

### Funding Summary

Appropriation Summary									
FY 2017 President's Budget / December 2015 SAR (TY\$ M)									
Appropriation	Prior	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	To Complete	Total
RDT&E	87.6	10.8	14.0	27.5	8.6	4.9	4.9	0.0	158.3
Procurement	6955.7	1352.7	980.2	690.7	407.4	636.0	453.6	2795.1	14271.4
MILCON	224.9	16.9	0.0	0.0	0.0	0.0	0.0	0.0	241.8
Acq O&M	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PB 2017 Total	7268.2	1380.4	994.2	718.2	416.0	640.9	458.5	2795.1	14671.5
PB 2016 Total	7320.4	1437.5	954.5	520.7	652.0	466.2	1449.8	2154.5	14955.6
Delta	-52.2	-57.1	39.7	197.5	-236.0	174.7	-991.3	640.6	-284.1

Quantity Summary										
FY 2017 President's Budget / December 2015 SAR (TY\$ M)										
Quantity	Undistributed	Prior	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	To Complete	Total
Development	0	0	0	0	0	0	0	0	0	0
Production	0	71	13	9	7	3	6	4	18	131
PB 2017 Total	0	71	13	9	7	3	6	4	18	131
PB 2016 Total	0	71	13	9	5	6	4	10	13	131
Delta	0	0	0	0	2	-3	2	-6	5	0



## Cost and Funding

### Annual Funding By Appropriation

Annual Funding							
3600   RDT&E   Research, Development, Test, and Evaluation, Air Force							
Fiscal Year	Quantity	TY \$M					
		End Item Recurring Flyaway	Non End Item Recurring Flyaway	Non Recurring Flyaway	Total Flyaway	Total Support	Total Program
2008	--	--	--	--	--	--	13.0
2009	--	--	--	--	--	--	19.6
2010	--	--	--	--	--	--	18.4
2011	--	--	--	--	--	--	7.6
2012	--	--	--	--	--	--	15.1
2013	--	--	--	--	--	--	8.4
2014	--	--	--	--	--	--	1.0
2015	--	--	--	--	--	--	4.5
2016	--	--	--	--	--	--	10.8
2017	--	--	--	--	--	--	14.0
2018	--	--	--	--	--	--	27.5
2019	--	--	--	--	--	--	8.6
2020	--	--	--	--	--	--	4.9
2021	--	--	--	--	--	--	4.9
Subtotal	--	--	--	--	--	--	158.3

Annual Funding 3600   RDT&E   Research, Development, Test, and Evaluation, Air Force								
Fiscal Year	Quantity	BY 2009 \$M						
		End Item Recurring Flyaway	Non End Item Recurring Flyaway	Non Recurring Flyaway	Total Flyaway	Total Support	Total Program	
2008	--	--	--	--	--	--	--	13.1
2009	--	--	--	--	--	--	--	19.5
2010	--	--	--	--	--	--	--	18.0
2011	--	--	--	--	--	--	--	7.3
2012	--	--	--	--	--	--	--	14.3
2013	--	--	--	--	--	--	--	7.8
2014	--	--	--	--	--	--	--	0.9
2015	--	--	--	--	--	--	--	4.1
2016	--	--	--	--	--	--	--	9.7
2017	--	--	--	--	--	--	--	12.3
2018	--	--	--	--	--	--	--	23.7
2019	--	--	--	--	--	--	--	7.3
2020	--	--	--	--	--	--	--	4.1
2021	--	--	--	--	--	--	--	4.0
Subtotal	--	--	--	--	--	--	--	146.1

Annual Funding							
3010   Procurement   Aircraft Procurement, Air Force							
Fiscal Year	Quantity	TY \$M					
		End Item Recurring Flyaway	Non End Item Recurring Flyaway	Non Recurring Flyaway	Total Flyaway	Total Support	Total Program
2008	7	528.4	--	--	528.4	86.8	615.2
2009	13	866.2	--	13.0	879.2	126.9	1006.1
2010	3	266.1	2.0	--	268.1	184.7	452.8
2011	9	585.4	1.9	11.4	598.7	153.6	752.3
2012	10	814.5	31.4	--	845.9	213.3	1059.2
2013	12	812.1	72.8	--	884.9	128.6	1013.5
2014	10	953.5	86.3	--	1039.8	130.1	1169.9
2015	7	569.6	43.2	--	612.8	185.3	798.1
2016	13	900.7	27.4	--	928.1	424.6	1352.7
2017	9	643.8	44.3	19.1	707.2	273.0	980.2
2018	7	480.4	42.4	22.2	545.0	145.7	690.7
2019	3	284.8	35.7	10.5	331.0	76.4	407.4
2020	6	509.5	4.2	21.0	534.7	101.3	636.0
2021	4	327.2	4.2	14.0	345.4	108.2	453.6
2022	6	625.6	63.2	17.5	706.3	154.5	860.8
2023	6	625.6	74.3	17.5	717.4	154.7	872.1
2024	6	625.6	75.3	17.5	718.4	154.6	873.0
2025	--	--	65.6	--	65.6	--	65.6
2026	--	--	55.4	--	55.4	--	55.4
2027	--	--	15.4	--	15.4	--	15.4
2028	--	--	52.8	--	52.8	--	52.8
Subtotal	131	10419.0	797.8	163.7	11380.5	2802.3	14182.8

Annual Funding 3010   Procurement   Aircraft Procurement, Air Force							
Fiscal Year	Quantity	BY 2009 \$M					
		End Item Recurring Flyaway	Non End Item Recurring Flyaway	Non Recurring Flyaway	Total Flyaway	Total Support	Total Program
2008	7	525.1	--	--	525.1	86.2	611.3
2009	13	846.7	--	12.7	859.4	124.1	983.5
2010	3	255.1	1.9	--	257.0	177.1	434.1
2011	9	552.5	1.8	10.8	565.1	144.9	710.0
2012	10	757.2	29.2	--	786.4	198.2	984.6
2013	12	739.6	66.3	--	805.9	117.2	923.1
2014	10	856.8	77.5	--	934.3	116.9	1051.2
2015	7	505.2	38.3	--	543.5	164.3	707.8
2016	13	783.9	23.8	--	807.7	369.6	1177.3
2017	9	549.9	37.8	16.3	604.0	233.2	837.2
2018	7	402.4	35.5	18.6	456.5	122.1	578.6
2019	3	233.8	29.3	8.6	271.7	62.8	334.5
2020	6	410.2	3.4	16.9	430.5	81.5	512.0
2021	4	258.1	3.3	11.0	272.4	85.5	357.9
2022	6	483.9	48.9	13.5	546.3	119.5	665.8
2023	6	474.6	56.4	13.3	544.3	117.3	661.6
2024	6	465.2	56.0	13.0	534.2	115.0	649.2
2025	--	--	47.8	--	47.8	--	47.8
2026	--	--	39.6	--	39.6	--	39.6
2027	--	--	10.8	--	10.8	--	10.8
2028	--	--	36.3	--	36.3	--	36.3
Subtotal	131	9100.2	643.9	134.7	9878.8	2435.4	12314.2

Annual Funding								
0300   Procurement   Procurement, Defense-Wide								
Fiscal Year	Quantity	TY \$M						
		End Item Recurring Flyaway	Non End Item Recurring Flyaway	Non Recurring Flyaway	Total Flyaway	Total Support	Total Program	
2008	--	--	--	--	56.9	56.9	--	56.9
2009	--	--	--	--	9.5	9.5	--	9.5
2010	--	--	--	--	1.5	1.5	--	1.5
2011	--	--	--	--	2.0	2.0	--	2.0
2012	--	--	--	--	18.7	18.7	--	18.7
Subtotal	--	--	--	--	88.6	88.6	--	88.6

Annual Funding								
0300   Procurement   Procurement, Defense-Wide								
Fiscal Year	Quantity	BY 2009 \$M						
		End Item Recurring Flyaway	Non End Item Recurring Flyaway	Non Recurring Flyaway	Total Flyaway	Total Support	Total Program	
2008	--	--	--	--	56.7	56.7	--	56.7
2009	--	--	--	--	9.3	9.3	--	9.3
2010	--	--	--	--	1.5	1.5	--	1.5
2011	--	--	--	--	1.9	1.9	--	1.9
2012	--	--	--	--	17.5	17.5	--	17.5
Subtotal	--	--	--	--	86.9	86.9	--	86.9

Annual Funding 3300   MILCON   Military Construction, Air Force		
Fiscal Year	TY \$M	
	Total Program	
	2010	22.6
	2011	35.8
	2012	12.5
	2013	8.5
	2014	--
	2015	--
	2016	16.9
Subtotal		96.3

Annual Funding 3300   MILCON   Military Construction, Air Force	
Fiscal Year	BY 2009 \$M
	Total Program
2010	21.8
2011	33.8
2012	11.6
2013	7.7
2014	--
2015	--
2016	14.6
Subtotal	89.5



Annual Funding 0500   MILCON   Military Construction, Defense-Wide	
Fiscal Year	TY \$M
	Total Program
2010	14.2
2011	37.3
2012	94.0
Subtotal	145.5

Annual Funding	
0500   MILCON   Military Construction, Defense-Wide	
Fiscal Year	BY 2009 \$M
	Total Program
2010	13.5
2011	34.8
2012	86.4
Subtotal	134.7

## Low Rate Initial Production

Item	Initial LRIP Decision	Current Total LRIP
Approval Date	4/12/2010	5/9/2011
Approved Quantity	46	52
Reference	Milestone C ADM	Milestone C ADM
Start Year	2008	2008
End Year	2013	2013

The Current Total LRIP Quantity is more than 10% of the total production quantity due to user's urgent need and existing capability of the aircraft production line.

**Foreign Military Sales**

None

**Nuclear Costs**

None

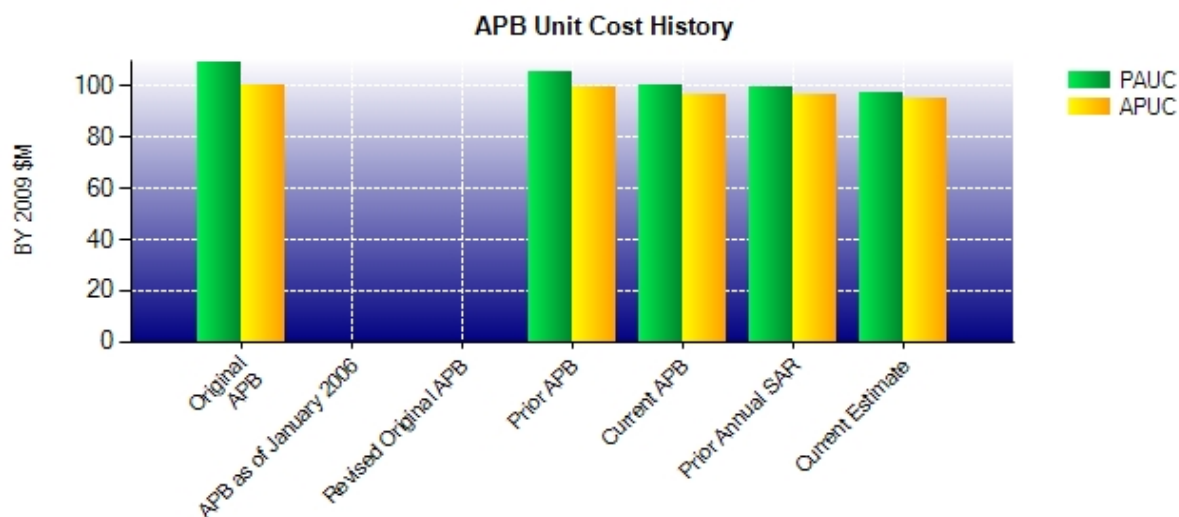
## Unit Cost

### Unit Cost Report

Item	BY 2009 \$M	BY 2009 \$M	% Change
	Current UCR Baseline (Oct 2013 APB)	Current Estimate (Dec 2015 SAR)	
Program Acquisition Unit Cost			
Cost	13150.2	12771.4	
Quantity	131	131	
Unit Cost	100.383	97.492	-2.88
Average Procurement Unit Cost			
Cost	12665.9	12401.1	
Quantity	131	131	
Unit Cost	96.686	94.665	-2.09

Item	BY 2009 \$M	BY 2009 \$M	% Change
	Original UCR Baseline (Mar 2010 APB)	Current Estimate (Dec 2015 SAR)	
Program Acquisition Unit Cost			
Cost	8078.1	12771.4	
Quantity	74	131	
Unit Cost	109.164	97.492	-10.69
Average Procurement Unit Cost			
Cost	7436.0	12401.1	
Quantity	74	131	
Unit Cost	100.486	94.665	-5.79

## Unit Cost History



Item	Date	BY 2009 \$M		TY \$M	
		PAUC	APUC	PAUC	APUC
Original APB	Mar 2010	109.164	100.486	118.180	108.841
APB as of January 2006	N/A	N/A	N/A	N/A	N/A
Revised Original APB	N/A	N/A	N/A	N/A	N/A
Prior APB	Mar 2011	105.002	99.739	116.920	111.256
Current APB	Oct 2013	100.383	96.686	117.364	113.256
Prior Annual SAR	Dec 2014	99.115	96.308	114.165	111.132
Current Estimate	Dec 2015	97.492	94.665	111.996	108.942

## SAR Unit Cost History

Current SAR Baseline to Current Estimate (TY \$M)									
Initial PAUC Production Estimate	Changes								PAUC Current Estimate
	Econ	Qty	Sch	Eng	Est	Oth	Spt	Total	
118.180	0.899	-3.193	-0.756	2.167	-14.908	0.000	9.607	-6.184	111.996

Current SAR Baseline to Current Estimate (TY \$M)									
Initial APUC Production Estimate	Changes								APUC Current Estimate
	Econ	Qty	Sch	Eng	Est	Oth	Spt	Total	
108.841	0.842	0.871	-0.756	2.167	-12.630	0.000	9.607	0.101	108.942

SAR Baseline History				
Item	SAR Planning Estimate	SAR Development Estimate	SAR Production Estimate	Current Estimate
Milestone A	N/A	N/A	N/A	N/A
Milestone B	N/A	N/A	N/A	N/A
Milestone C	N/A	N/A	Feb 2010	Apr 2010
RAA	N/A	N/A	Dec 2012	Dec 2012
Total Cost (TY \$M)	N/A	N/A	8745.3	14671.5
Total Quantity	N/A	N/A	74	131
PAUC	N/A	N/A	118.180	111.996

## Cost Variance

Summary TY \$M				
Item	RDT&E	Procurement	MILCON	Total
SAR Baseline (Production Estimate)	154.3	8054.2	536.8	8745.3
Previous Changes				
Economic	+0.4	+178.7	+7.9	+187.0
Quantity	--	+6318.0	--	+6318.0
Schedule	--	-133.2	--	-133.2
Engineering	--	+283.9	--	+283.9
Estimating	+0.8	-1394.5	-302.9	-1696.6
Other	--	--	--	--
Support	--	+1251.2	--	+1251.2
Subtotal	+1.2	+6504.1	-295.0	+6210.3
Current Changes				
Economic	-0.4	-68.4	-0.4	-69.2
Quantity	--	--	--	--
Schedule	--	+34.2	--	+34.2
Engineering	--	--	--	--
Estimating	+3.2	-260.0	+0.4	-256.4
Other	--	--	--	--
Support	--	+7.3	--	+7.3
Subtotal	+2.8	-286.9	--	-284.1
Total Changes	+4.0	+6217.2	-295.0	+5926.2
CE - Cost Variance	158.3	14271.4	241.8	14671.5
CE - Cost & Funding	158.3	14271.4	241.8	14671.5



Summary BY 2009 \$M				
Item	RDT&E	Procurement	MILCON	Total
SAR Baseline (Production Estimate)	148.0	7436.0	494.1	8078.1
Previous Changes				
Economic	--	--	--	--
Quantity	--	+5247.2	--	+5247.2
Schedule	--	-104.5	--	-104.5
Engineering	--	+261.1	--	+261.1
Estimating	-4.1	-1214.8	-270.3	-1489.2
Other	--	--	--	--
Support	--	+991.4	--	+991.4
Subtotal	-4.1	+5180.4	-270.3	+4906.0
Current Changes				
Economic	--	--	--	--
Quantity	--	--	--	--
Schedule	--	--	--	--
Engineering	--	--	--	--
Estimating	+2.2	-231.4	+0.4	-228.8
Other	--	--	--	--
Support	--	+16.1	--	+16.1
Subtotal	+2.2	-215.3	+0.4	-212.7
Total Changes	-1.9	+4965.1	-269.9	+4693.3
CE - Cost Variance	146.1	12401.1	224.2	12771.4
CE - Cost & Funding	146.1	12401.1	224.2	12771.4

Previous Estimate: December 2014

<b>RDT&amp;E</b>	<b>\$M</b>	
<b>Current Change Explanations</b>	<b>Base Year</b>	<b>Then Year</b>
Revised escalation indices. (Economic)	N/A	-0.4
Revised estimate as a result of baseline extension to FY 2021 and minor miscellaneous adjustments. (Estimating)	+2.2	+3.2
<b>RDT&amp;E Subtotal</b>	<b>+2.2</b>	<b>+2.8</b>

<b>Procurement</b>	<b>\$M</b>	
<b>Current Change Explanations</b>	<b>Base Year</b>	<b>Then Year</b>
Revised escalation indices. (Economic)	N/A	-68.4
Adjustment for current and prior escalation. (Estimating)	+17.2	+19.1
Stretch-out of procurement buy profile from FY 2023 to FY 2024. (Schedule)	0.0	+34.2
Reductions in FY 2013 funds for Omnibus Reprogramming actions during FY 2015. (Estimating)	-45.5	-50.7
Congressional Reduction in FY 2016. (Estimating)	-50.5	-57.1
Revised estimate reflects updated estimating methodology for "To Complete" aircraft costs. (Estimating)	-152.6	-171.3
Adjustment for current and prior escalation. (Support)	+4.1	+4.9
Decrease in Initial Spares as a result of prior SAR misallocation to Initial Spares and minor miscellaneous adjustments. (Support)	-178.4	-233.7
Increase in Other Support as a result of prior SAR misallocation to Initial Spares and minor miscellaneous adjustments. (Support)	+190.4	+236.1
<b>Procurement Subtotal</b>	<b>-215.3</b>	<b>-286.9</b>

<b>MILCON</b>	<b>\$M</b>	
<b>Current Change Explanations</b>	<b>Base Year</b>	<b>Then Year</b>
Revised escalation indices. (Economic)	N/A	-0.4
Adjustment for current and prior escalation. (Estimating)	+0.4	+0.4
<b>MILCON Subtotal</b>	<b>+0.4</b>	<b>0.0</b>

## Contracts

### General Notes

The HC/MC-130 Recapitalization program uses the recently awarded Multi-Year Procurement Contract for production aircraft buys. The Five Year Option Contract (FYOC IV) ordering period ends January 31, 2016, and will be superseded by the Five Year Ordering Contract to be awarded in 3rd Quarter FY 2016.

### Contract Identification

**Appropriation:** Procurement  
**Contract Name:** HC/MC-130J Production (FYOC IV)  
**Contractor:** Lockheed Martin  
**Contractor Location:** 86 South Cobb Drive  
 Marietta, GA 39963-0290  
**Contract Number:** FA8625-11-C-6597  
**Contract Type:** Firm Fixed Price (FFP)  
**Award Date:** March 17, 2011  
**Definitization Date:** March 17, 2011

Contract Price							
Initial Contract Price (\$M)			Current Contract Price (\$M)			Estimated Price At Completion (\$M)	
Target	Ceiling	Qty	Target	Ceiling	Qty	Contractor	Program Manager
2.2	N/A	0	1573.0	N/A	23	1573.0	1573.0

### Target Price Change Explanation

The difference between the Initial Contract Price Target and the Current Contract Price Target is due to the program moving from LRIP to FRP.

### Cost and Schedule Variance Explanations

Cost and Schedule Variance reporting is not required on this (FFP) contract.

### Notes

This contract is more than 90% complete; therefore, this is the final report for this contract.

**Contract Identification**

**Appropriation:** Procurement  
**Contract Name:** HC/MC-130J Multi-Year Procurement II (MYP II)  
**Contractor:** Lockheed Martin  
**Contractor Location:** 86 South Cobb Drive  
 Marietta, GA 39963-0290  
**Contract Number:** FA8625-14-C-6450  
**Contract Type:** Fixed Price Incentive(Firm Target) (FPIF)  
**Award Date:** December 09, 2013  
**Definitization Date:** December 30, 2015

Contract Price							
Initial Contract Price (\$M)			Current Contract Price (\$M)			Estimated Price At Completion (\$M)	
Target	Ceiling	Qty	Target	Ceiling	Qty	Contractor	Program Manager
132.0	N/A	0	3027.2	3027.2	43	3027.2	3027.2

**Target Price Change Explanation**

The difference between the Initial Contract Price Target and the Current Contract Price Target is due to The difference between the Initial Contract PriceTarget and the Current Contract Price Target is due to the definitization of the MYP II contract that occurred December 30, 2015, placing 43 HC/MC aircraft on contract.

Contract Variance		
Item	Cost Variance	Schedule Variance
Cumulative Variances To Date	0.0	0.0
Previous Cumulative Variances	--	--
Net Change	+0.0	+0.0

**Cost and Schedule Variance Explanations**

None

**General Contract Variance Explanation**

Cost and schedule variances are not reported for this FPIF contract, because EVM reporting has been waived. A class deviation to exclude Defense Federal Acquisition Regulation Supplement clauses 252.234-7001 and 252.234-7002 was approved by Headquarters Air Force Materiel Command on February 13, 2014.

## Deliveries and Expenditures

Deliveries				
Delivered to Date	Planned to Date	Actual to Date	Total Quantity	Percent Delivered
Development	0	0	0	--
Production	53	53	131	40.46%
Total Program Quantity Delivered	53	53	131	40.46%

Expended and Appropriated (TY \$M)			
Total Acquisition Cost	14671.5	Years Appropriated	9
Expended to Date	5025.9	Percent Years Appropriated	42.86%
Percent Expended	34.26%	Appropriated to Date	8648.6
Total Funding Years	21	Percent Appropriated	58.95%

The above data is current as of March 02, 2016.

## Operating and Support Cost

### Cost Estimate Details

**Date of Estimate:** November 17, 2014  
**Source of Estimate:** POE  
**Quantity to Sustain:** 131  
**Unit of Measure:** Aircraft  
**Service Life per Unit:** 30.00 Years  
**Fiscal Years in Service:** FY 2013 - FY 2055

### Sustainment Strategy

Two level maintenance is planned for fleet of 131 aircraft. Contractor Logistics Support for Airframe provide by Lockheed Martin and for Engines by Rolls Royce. Maintenance cycle for basic maintenance is six years and de-paint and scuff is 12 years.

### Antecedent Information

The HC/MC-130 Recap program recapitalizes several antecedents, including the HC-130P/N and MC-130E/H/P fleets. It also provides aircraft which, after modification in a separate Special Operations Command (SOCOM) program, recapitalize the AC-130H/U/W gunship fleet. The total of these antecedents was 131 aircraft before retirements began.

Antecedent aircraft were designed for a 30-year service life; multiple center wing box replacements and other actions extended that life to 48 years for the last of the now-retired MC-130E. MC-130P retirement planning also reflects service lives of up to 48 years after similar extensions. O&S cost comparisons are based on the MC-130P.

Antecedent annual costs of the MC-130P are listed. Antecedent annual cost information is based on analysis of Air Force Total Ownership Cost 2010 data for HC/MC-130P.

Annual O&S Costs BY2009 \$M		
Cost Element	HC/MC-130 Recap Average Annual Cost Per Aircraft	MC-130P (Antecedent) Average Annual Cost Per Aircraft
Unit-Level Manpower	4.077	4.500
Unit Operations	0.950	1.700
Maintenance	1.842	3.500
Sustaining Support	0.411	0.400
Continuing System Improvements	0.756	0.600
Indirect Support	2.097	1.100
Other	--	--
Total	10.133	11.800

Item	Total O&S Cost \$M			
	HC/MC-130 Recap			MC-130P (Antecedent)
	Current Production APB Objective/Threshold		Current Estimate	
Base Year	40008.6	44009.5	39822.6	N/A
Then Year	58602.4	N/A	63751.1	0.0

#### Equation to Translate Annual Cost to Total Cost

Total O&S cost were calculated based on 30 year useful life x quantity x unitized cost per aircraft (30 years x 131 aircraft x \$10.133M average annual cost per aircraft = \$39,822.6M).

O&S Cost Variance		
Category	BY 2009 \$M	Change Explanations
Prior SAR Total O&S Estimates - Dec 2014 SAR	39822.6	
Programmatic/Planning Factors	0.0	
Cost Estimating Methodology	0.0	
Cost Data Update	0.0	
Labor Rate	0.0	
Energy Rate	0.0	
Technical Input	0.0	
Other	0.0	
Total Changes	0.0	
Current Estimate	39822.6	

#### Disposal Estimate Details

**Date of Estimate:** October 03, 2013  
**Source of Estimate:** SCP  
**Disposal/Demilitarization Total Cost (BY 2009 \$M):** Total costs for disposal of all Aircraft are 10.7